

V.F. Pichler - Transportation -
Pipelines
[Dec - 13, 1949]

Confidential

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EMPLOYEES

We have now about 50 employees on the payroll of Interprovincial and about 15 on the Lakehead payroll. Practically all have been secured from affiliated organizations, the only exception to this are a few junior clerks in each instance. We have a schedule plan for hiring additional personnel as the work progresses and will continue wherever possible to take them from within the family.

BENEFITS

A Committee is now working on the establishment of benefit plans. At the present time the employees who are on the Lakehead and Interprovincial payrolls, are being considered as being on a loan basis and, for the time being, retaining their status as far as benefits are concerned, in the organizations from which they were originally drawn.

CONTRACTS

There are three prime contractors for the entire project --- Canadian Bechtel on the section from Edmonton to Regina, Williams Brothers from Regina to the Border, and Anderson Brothers on the American section. These contractors were selected from bids submitted from practically all the outstanding contractors in the business on the basis of price and reliability. We felt that where the prices were close, we should take the contractor in whom we had the most confidence, bearing in mind that the line must be satisfactorily constructed in the short period of time at our disposal. The Bechtel bid was \$5,924,500; Williams Brothers, \$3,922,500; Anderson Brothers, \$4,275,300; a total of \$14,122,300. To this figure we added \$500,000 for unforeseen additions, making a total of \$14,622,000. Incidentally this is about one and a quarter million under what we had originally estimated.

Some of the work by these contractors, for instance the crossing of the South Saskatchewan River by Bechtel, will be done this winter and Anderson are planning on clearing some of the right-of-way in Wisconsin. In general the contractors will start work as soon as possible in the spring.

RIGHT-OF-WAY

We have been particularly successful in securing right-of-way. At the present time over 90% of right-of-way has been obtained in Alberta and about 75% in Saskatchewan. On the American

STATION SITES

RIGHT-OF-WAY (cont.)

All the sites for the pumping stations at the line will be originally set up, have been secured with the necessary side, since this work was started later, only about 45 miles of right-of-way have been taken up but they have 8 men working on this portion at the present time. There does not appear to be any doubt that all right-of-way will be secured by the end of December on both the Canadian and American sections, various properties.

SURVEY

WORK AT STATION SITES

Work was started this fall at Edmonton and Lethbridge. At Edmonton the property was graded and filled and the sites and the construction of two tanks was started. As of about a week ago, these tanks had completely been bottomed and 2 to 3 rings erected. A water well was put down with but not much success but further work can be started out this winter. At Lethbridge the foundations and floor of a community house were completed, the backfilling and earth around the gas-turbine foundation was completed, sewer, water tank, and water lines were completed and an air vent pipe erected and needed. With the cold weather work was interrupted at Lethbridge but we feel that this will be a short wait as in the spring.

STATUS OF EQUIPMENT

All pipe has been ordered and we feel that we have as fine a situation as can possibly be expected. The 18" steel Canadian section will be shipped the end of this week and we are obtaining about 30 miles of 20" steel A.O. Smith in January. This is just a small section which we were able to secure early delivery. The balance of A.O. Smith's pipe will start in March and be completed in August.

Pumps and engines for the Canadian section have been ordered at well as the coating and wrapping materials. For the American side bids have been solicited for the main pumping machinery.

Interprovincial and other arrangements whereby required does the actual construction on the Canadian side in contact with Interprovincial engineering staff. The head, however, was in the regulations, a preliminary has been attached to Interprovincial staff. Early in the year we will have an experienced engineer on the job and this will be a follow through on this side.

STATION SITES

All the sites for the pumping stations as the line will be originally set up, have been secured with the exception of the Clearbrook site on the American side, on which an option has been secured. This deal can be closed at practically any time. We have also secured some of the sites for the future pumping stations when the capacity of the line may be increased. We have not found any particular difficulty in acquiring these various properties.

WORK AT STATION SITES

Work was started this fall at Edmonton and Ermine. At Edmonton the property was graded and filled for tank sites and the construction of two tanks was started. As of about a week ago, these tanks had completely welded bottoms and 2 to 3 rings erected. A water well was dug with not too much success but further work can be carried out this winter. At Ermine the foundations and floor of a community house were completed; the backfilling and earth around the pumphouse foundation was completed; sewers, septic tank, and water lines were completed; and an air strip graded and seeded. With the cold weather work was terminated at Ermine but we feel that this will be a decided asset to us in the spring.

STATUS OF EQUIPMENT

All pipe has been ordered and we feel that we have as firm deliveries as can possibly be expected. The 16" from Canadian sources will be shipped the end of this week and we are obtaining about 60 miles of 20" from A.O. Smith in January. This is just a small section on which we were able to secure early delivery. The balance of A.O. Smith's pipe will start in March and be completed in August.

Pumps and engines for the Canadian section have been ordered as well as the coating and wrapping materials. For the American side bids have been solicited for the main pumping machinery. Interprovincial has set up arrangement whereby Imperial does the actual purchasing on the Canadian side in close contact with Interprovincial engineering staff. At Lakehead, however, due to ICC regulations, a purchasing agent has been attached to Lakehead's staff. Early in January we will have an experienced expediter on the job whose duties will be to follow through on shipments.

PLANS

The Board of Transport Commissioners in Ottawa must approve our plans showing pipe line route and so far approval has been secured by Interprovincial for the section Edmonton/Regina. From Regina to Glenboro, the plans are now being processed in Ottawa and we expect approval on December 16th. From Glenboro to Gretna, approval is anticipated by December 23rd. Plans have already had the approval of the railroads.

TARIFFS

Not too much detailed study has been given to this phase as yet. We contemplate a 55¢ tariff to Superior but early in January a meeting is scheduled where the entire question will be discussed.

ACCOUNTING

Very satisfactory arrangements have been made with the Board of Transport Commissioners in Ottawa with regard to our accounting system. We have proposed using ICC methods, which is exactly what the Board had in mind. We are completing our Accounting Manual, a copy of which will be furnished to the Board very shortly.

OFFICE SPACE

Offices have been secured at both Edmonton and Superior which require a certain amount of remodelling. We believe both offices will be completely available for occupancy about January 1st.

AIRCRAFT

A Lodestar was purchased from Trans-Canada Airlines for \$15,000. Certain minor modifications were made, such as the installation of VHF radio, and this plane now provides safe, quick and cheap transportation at a time when fast transportation is vitally needed. The operating staff of the aircraft has been drawn from Imperial Oil.

PUBLIC RELATIONS

We think that our public relations up to now have been fairly successful. We have made several talks before Rotary Clubs and other organizations and, in the spring, are planning a series of farm meetings which should be of particular interest to the rural population since it will clear up some doubts they may have in their minds on securing right-of-way.